

2009

Richard Pratt v. Charles Pugh : Brief of Appellant

Utah Court of Appeals

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James C. Haskins, Graham J. Haskins; Haskins and Associates; counsel for appellant.

Ron D. Wilkinson; counsel for appellee.

Recommended Citation

Brief of Appellant, *Pratt v. Pugh*, No. 20090067 (Utah Court of Appeals, 2009).
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IN THE UTAH COURT OF APPEALS

RICHARD PRATT,

Petitioner and Appellee,

vs.

CHARLES PUGH,

Respondent and Appellant.

Appellate Court No. 20090067

District Court No. 060403141

(Oral Argument Requested)

BRIEF OF APPELLANT

Appeal from summary judgment entered by the
Fourth Judicial District Court
In and For Utah County, State of Utah
Honorable Fred D. Howard

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FILED
UTAH APPELLATE COURTS
NOV 30 2009

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STATEMENT OF JURISDICTION

This Court has jurisdiction over this matter pursuant to Utah Code §78A-3-102(3)(j).

STATEMENT OF ISSUES AND STANDARD OF REVIEW

Issue: Whether the trial court erred when it granted judgment as a matter of law and ruled that there were no genuine issues of material fact from which a fact-finder could have decided this matter in favor of Appellant Charles Pugh by finding there was a valid basis for Appellant's lien on Appellee Richard Pratt's property.

Standard of Review: “[I]n reviewing a district court’s grant of summary judgment, an appellate court ‘view[s] the facts and all reasonable inferences drawn therefrom in the light most favorable to the nonmoving party,’ ...and cedes no deference to the lower court’s legal conclusions.” *N.M. ex rel. Caleb v. Daniel E.*, 2008 UT 1, ¶5, 175 P.3d 566 (citations omitted).

DETERMINATIVE PROVISIONS OF LAW

Utah R. Civ. P. 56; Utah Code Ann. §§ 38-9-1 to - 7.

STATEMENT OF THE CASE

A. Nature of the Case: This is an appeal of the Final Order granting summary judgment to Petitioner, entered by the Honorable Fred D. Howard, Fourth Judicial District Court on December 23, 2008.

B. Course of the Proceedings Below: This wrongful lien action was

commenced on November 13, 2006, wherein Richard Pratt (hereinafter “Pratt”) filed a Petition to Nullify Lien with an accompanying Affidavit in support against Charles Pugh (hereinafter “Pugh”). (R. 3). A hearing was held on Pratt’s Petition to Nullify Lien on November 27, 2006 at which, Pratt was granted default on grounds of Pugh’s failure to appear. (R. 23). However, Pugh had not been served at the time of the hearing, thus the parties entered into a Stipulation to Set Aside the Ruling on December 12, 2006. (R. 25).

Pugh answered and filed an Objection to Petition to Nullify Lien on January 25, 2007. (R. 40). A second hearing on the Petition to Nullify Lien was held on January 26, 2007 before Honorable Fred. D. Howard, at which the Court deferred ruling on the Petition and set the matter for a telephone conference. (R. 80). On March 16, 2007, a telephonic status conference was held, at which, the court set the matter for a three-hour evidentiary hearing for May 2, 2007. (R. 137). At the May 2, 2007 evidentiary hearing, the court did not take testimony, but instead instructed the parties to take depositions of all the parties and witnesses. (R. 164).

Over the course of the following four months both parties conducted significant discovery. (R. 165-583). Pratt filed a Motion for Summary Judgment on September 18, 2007. (R. 475). Pugh then filed an Objection to Petitioner’s Motion for Summary Judgment on October 2, 2007. (R. 479). Subsequently, Pugh filed A Motion to Dismiss on November 27, 2007. (R. 585). On December 17, 2007 a hearing was held on Pratt’s Motion for Summary Judgment at which, the Court entered judgment for Pratt. (R. 798).

The Final Order in this matter was filed with the court on December 23, 2008. (R. 855).

STATEMENT OF FACTS

1. The April 2006 contracts and interactions between Pugh and his business partners, and Pratt and his business partners, are currently being litigated in a companion case, Fourth District Court case number 060101257. (R. 48).

2. In that case, Pugh and his business partners, and Pratt and his business partners have claims against one another regarding the validity of the April 2006 contracts and fraudulent actions directly related to the liens in this case. (R. 48).

3. Despite the above case already addressing all issues involving the liens and the contracts associated with liens, Pratt brought this wrongful lien action under contract principles already being addressed in the other case. (R. 82).

4. The liens at issue in this case came about as part of a business deal wherein Pugh's business partners would lend Sovren Group, LLC (hereinafter "Sovren") and Pratt \$500,000. (R. 40).

5. Pratt's main role in the parties business transaction was to provide a guaranty for the contracts, and real estate security for the \$500,000 loan utilizing Pratt's two pieces of real property. (R. 40).

6. In furtherance of the parties agreements, a Guaranty Agreement and Security Agreement (hereinafter "Security Agreement") was executed and signed by Pratt authorizing his properties to be encumbered securing the \$500,000 loan. (R.112).

7. Simultaneous to the execution of the Security Agreement, Pratt and Sovren executed trust deeds and caused Guardian Title to file them with the Utah County Recorder. (R. 516, 93, Addendum J).

8. Upon receipt of the signed Security Agreement, Pugh released the \$500,000.00 held at Guardian Title to Pratt and Sovren. (R. 655, 688).

9. As part of closing the loan and securing it with Pratt's real properties, Pratt signed U.S. Department of Housing and Urban Development (HUD) Settlement Statements for each of Pratt's properties. (Addendum J, H).

10. To date Pratt and his business partner Sovren have not paid the \$500,000 back or complied with the terms of the contracts entered into. (R. 42).

11. Pratt and Sovren entered into Investment Agreements outlining their contractual relationship with each other. (R. 635).

12. Pratt testified in his initial Affidavit in this case that "as collateral for an investment agreement, I allowed the two properties to be encumbered by Respondent." (R. 4).

13. Moreover, Pratt testified in his deposition that "the collateral for the investment agreement, which Charles Pugh provided \$500,000 for, I provided security for that by putting these two properties up." (R. 511).

14. Pursuant to the Investment Agreements between Pratt and Sovren, Pratt received a "security interest in and an equity position in ten (10) tons of Maker's (Sovren)

high grade concentrate ore.” (R. 511).

15. Pratt testified the ores are worth “six hundred thousand to a million dollars a ton” (R. 629).

16. Also, Pratt’s property taxes on his two properties, used to secure the \$500,000 loan, were paid off from the loan monies. (Addendum J).

17. Pratt testified in his deposition that he believes the Investment Agreements are currently valid contracts. (R 515).

SUMMARY OF ARGUMENT

I. RICHARD PRATT SIGNED A SECURITY AGREEMENT AND AUTHORIZED LIENS TO BE RECORDED ON HIS PROPERTIES, THEREBY ELIMINATING WRONGFUL LIEN TREATMENT PURSUANT TO § 38-9-1 UTAH CODE ANN.

The liens at issue in this case are not wrongful under Utah Code Ann. § 38-9-1 et seq., the Wrongful Lien Act, as Pratt authorized the liens, at the time of their filing, through signed documents. Pratt signed a security agreement allowing the properties to be encumbered, signed Settlement Statements for each property, and gave sworn testimony that he allowed the properties to be encumbered. The statute is unambiguous and the Court should not look to contract principle to determine if a lien is wrongful under the Wrongful Lien Act..

II. RICHARD PRATT’S CONTINUED BAD FAITH THROUGHOUT THIS ACTION WARRANTS THE AWARD OF COSTS AND REASONABLE ATTORNEY’S FEES TO CHARLES PUGH.

The Wrongful Lien Act provides that a court may award costs and reasonable

attorney's fees to a lien claimant when the court determines that the claim of lien is valid. Utah Code Ann. § 38-9-6(3). Richard Pratt brought this action in bad faith knowing that he had signed documents authorizing the liens to be recorded on his properties. Moreover, As a result of Pratt's extensive bad faith, this action has been excessively prolonged, resulting in the unnecessary accumulation of significant costs and attorneys fees, thus warranting the award of costs and reasonable attorney's fees to Charles Pugh.

ARGUMENT

I. RICHARD PRATT SIGNED A SECURITY AGREEMENT AND AUTHORIZED LIENS TO BE RECORDED ON HIS PROPERTIES, THEREBY ELIMINATING WRONGFUL LIEN TREATMENT PURSUANT TO § 38-9-1 UTAH CODE ANN.

The liens at issue in this case are not wrongful pursuant to Utah Code Ann. § 38-9-1 et seq., the Wrongful Lien Act, as Pratt authorized the liens, at the time of their filing, through signed documents. The Wrongful Lien Act found at § 38-9-1(6) Utah Code Annotated provides in pertinent part:

- (6) "Wrongful lien" means any document that purports to create a lien or encumbrance on an owner's interest in certain real property and at the time it is recorded or filed is not:

- (c) signed by or authorized pursuant to a document signed by the owner of the real property

The Wrongful Lien Act is a “summary proceeding” and “is limited in a number of respects.” *Anderson v. Wilshire Investments, L.L.C.*, 123 P.3d 393, 396 (Utah 2005).

The Wrongful Lien Act is express in limiting its application stating that:

- (4) A summary proceeding under this section is only to determine whether or not a contested document, on its face, shall be recorded by the county recorder. The proceeding may not determine the truth of the content of the document nor the property or legal rights of the parties beyond the necessary determination of whether or not the document shall be recorded. Utah Code Ann. § 38-9-6(4)

Moreover, the Wrongful Lien Act expressly states that the court may “only determine whether or not a document is a wrongful lien” and “shall not determine any other property or legal rights of the parties nor restrict other legal remedies of any party.” *Id.* § 38-9-7(4).

The Wrongful Lien Act is unambiguous with regard to what constitutes a wrongful lien and what a court should consider when determining if a lien is wrongful. The Utah Supreme Court has long held that “(w)here statutory language is plain and unambiguous , this Court will not look beyond the same to divine legislative intent.” *Brinkerhoff v. Forsyth*, 779 P.2d 685, 686 (Utah 1989). The Court in that case continued, stating that it is “guided by the rule that a statute should generally be construed according to its plain language.” *Id.*

Under the plain language of the Wrongful Lien Act, the trust deeds at issue in this matter were clearly authorized pursuant to a signed document at the time of their filing. On April 11, 2006, Pratt and his business partners executed two trust deeds and caused them to be recorded through their title agent, Guardian Title, with the Utah County Recorder. (R. 93). The trust deeds were recorded by Pratt pursuant to a Security Agreement signed by Pratt on April 10, 2006. (R. 112). Pratt’s property was security for

financing in the amount of \$500,000, which funds were transferred by Pugh to Pratt and Sovren upon receipt of the signed security agreement. (R. 655, 688).

Clearly, the recorded trust deeds are not wrongful under the Wrongful Lien Act. The trust deeds were executed by Pratt and Sovren, and were authorized pursuant to a document signed by Pratt, the security agreement, at the time they were filed. (R. 516, 93). Furthermore, Pratt has never denied that he signed the security agreement and executed the trust deeds. Moreover, the trust deeds, which Pratt contends are wrongful, were filed by Pratt and his agents, and were never even viewed by Pugh prior to their filing. (R. 516, 93).

As further evidence that the trust deeds filed were authorized by a signed document and not wrongful, Pratt signed U.S. Department of Housing and Urban Development (HUD) Settlement Statements (hereinafter "Settlement Statements") for each of his properties. (Addendum J, K). The Settlement Statements were drafted by Pratt's agent, Guardian Title, and integrated at the closing of the \$500,000 loan from Pugh and his business partners. *Id.* Each Settlement Statement, signed by Pratt, clearly outlines the contractual relationship of the parties, the allocation of the loan monies to Pratt, and payment of the recording fees for the trust deeds. *Id.* These Settlement Statements were drafted, executed, and carried out without the presence of Pugh. Pratt's contention that the liens are wrongful is not only wholly unfounded, but entirely disingenuous.

Not only are the signed documents evidence enough of the trust deeds being valid under the Wrongful Lien Act, but Pratt has testified on more than one occasion that the trust deeds were authorized by him. (R. 4, 571). Pratt even testified in his original Affidavit in this case that “as collateral for an Investment Agreement, I allowed the two properties to be encumbered by Respondent.” (R. 4). Moreover, when asked what he meant by the above statement, Pratt testified in his deposition that “the collateral for the investment agreement, which Charles Pugh provided \$500,000 for, I provided security for that by putting these two properties up.” (R. 511).

Pratt, in his Motion for Summary Judgment, has asked the court to look beyond the plain language of the statute, and apply contract principles to determine if the liens were wrongful at the time they were recorded. The misguided basis for Pratt’s Motion for Summary Judgment, is that because Pugh had repudiated the underlying contract after discovering Pratt’s and other parties’ fraud, there was no “meeting of the minds” to validate the parties contracts, therefore the liens are wrongful. This contention is irrelevant to a determination of wrongful lien under the Wrongful Lien Act cited above. Contract principles do not govern the Wrongful Lien Act, as it was not created to resolve disputes concerning parties respective property interests. The mechanism for determining a wrongful lien is not whether the underlying contract is valid, but is simply whether the “document,” “on its face,” when recorded was authorized pursuant to a signed “document.” The Wrongful Lien Act does not even require there be a contract.

The reason the statute is limited in its scope and only requires that the Court look to see if a document “on its face” is authorized at “the time it is recorded,” is that the statute only provides a quick summary proceeding to combat liens that were clearly inappropriate at the time of their filing. The wrongful lien act was not enacted as a “catch-all” lien statute to encompass every area of law foreseeably related to a lien.

Clearly, the trust deeds recorded on Pratt’s property are not wrongful liens under the Wrongful Lien Act. Pratt signed a security agreement authorizing his two properties to be encumbered, signed Settlement Statements for each property, and gave sworn testimony that he allowed the properties to be encumbered. The statute is unambiguous and the Court should not look to contract principle to determine if a lien is wrongful under the Wrongful Lien Act.

II. RICHARD PRATT’S CONTINUED BAD FAITH THROUGHOUT THIS ACTION WARRANTS THE AWARD OF COSTS AND REASONABLE ATTORNEY’S FEES TO CHARLES PUGH.

Richard Pratt brought this action in bad faith knowing that he had signed documents authorizing the liens to be recorded on his properties. Furthermore, as a result of Pratt’s extensive bad faith, this action has been excessively prolonged, resulting in the unnecessary accumulation of significant costs and attorneys fees, thus warranting the award of costs and reasonable attorney’s fees to Pugh. The Wrongful Lien Act provides that “[i]f the court determines that the claim of lien is valid, the court shall dismiss the petition and may award costs and reasonable attorney’s fees to the lien claimant.” Utah

Code Ann. § 38-9-6(3). Although the Wrongful Lien Act only provides the possibility of the Respondent being awarded attorney's fees by stating "may," Pratt's bad faith throughout this action warrants an award of costs and reasonable attorney's fees to Appellant. *Id.*

Throughout this proceeding Pratt has made misstatements, contradicted himself in testimony, and tried to circumvent the legal system by bringing a Petition to Nullify Lien on grounds currently being litigated in another case. Pratt brought this case pursuant to a Petition to Nullify Lien and Affidavit of Pratt wherein Pratt stated that he "allowed the two properties to be encumbered by Respondent." (R. 4). This sworn statement is, in effect, the death knell to a claim of wrongful lien under the Wrongful Lien Act. Furthermore, Pratt's facts and argument in his original and amended Petitions seek the removal of the lien under contract theory. Yet, despite Petitioner's Petition to Nullify Lien being devoid of any facts supporting a finding that the trust deeds were wrongful pursuant to the Wrongful Lien Act, Pratt continued to make misstatements and further the litigation causing Pugh significant attorney's fees.

Pratt's inaccuracies in his testimony are apparent from the outset of this case. In his initial Affidavit Pratt testified that Pugh "repudiated said investment agreement and has not loaned said money to me as required by the security agreement." (R. 4). This testimony of Pratt is clearly false and misleads the Court as to the true facts of the case. First, Pugh never entered into an "investment agreement" with Pratt as Pratt testified.

The “Investment Agreement” referenced by Pratt was solely between Pratt and his business partner Sovren. Pugh, nor his business partners, were not at any time a part of Pratt’s and Sovren’s agreement. The plain language of the Investment Agreement is evidence enough that Pugh, nor his business partners, were not parties to the contract. Furthermore, there were two Investment Agreements executed between Pratt and Sovren. Pratt and Sovren executed an Investment Agreement for each of the two parcels of property used as security for the \$500,000 loan.

Furthermore, Pratt inaccurately testified that Pugh did not pay pursuant to the parties agreements. Although the contracts associated with the transfer of the \$500,000 are in dispute in the companion case, Pugh transferred \$500,000 to Pratt and Sovren pursuant to the parties agreements. In fact, Pratt and his business partners still have Pugh’s and his business partner’s \$500,000, the collection of which is currently being litigated in the companion case. Moreover, the Settlement Statements executed at the closing of Pughs \$500,000 loan clearly outline where the loan monies were allocated. The Settlement Statements expressly note that Pratt received the loan and that, among other things, his property taxes were paid with the loan monies. For Pratt to execute such documents and then in turn file a Petition to Nullify Lien, representing to the Court that he at no time authorized the recording of the trust deeds, clearly shows Pratt’s bad faith.

After the initial hearing where it became apparent that Pratt’s first Petition and sworn statements only validated the liens, Pratt amended his Petition in an attempt to fix

the problems in his initial Petition. In his Verified Amended Petition, despite the plain language of the Investment Agreements, Pratt again testifies that Pugh was a part Pratt's and Sovren's Investment Agreements. Pratt further testifies in the Verified Amended Petition that Pugh had not complied with the terms of the Investment Agreements and therefore the liens were wrongful. This statement is not only entirely inaccurate, but again misleads the Court as to the contractual relationship of the parties. As explained above, Pugh was not a party to the Investment Agreements between Pratt and Sovren. Yet, Pratt is trying to assert that Pugh should be held to the Investment Agreements' terms. These arguments are blatantly invalid, brought in bad faith, and are meritless to a determination of a liens validity under the Wrongful Lien Act.

Moreover, Pratt has stated numerous times in his papers that Pugh "placed the liens on Petitioner's property," yet it was Pratt and Sovren that executed the trust deeds and caused Guardian Title to record them with the Utah County Recorder. (R.516, 93, Addendum J). Pratt even admits in his deposition that his title agent recorded the trust deeds. (R. 516). These misleading statements unjustly influence the Court into thinking that the liens were inappropriately filed by Pugh when, in fact, Pugh had not even seen them prior to their filing.

Pratt's bad faith is also apparent in Pratt's very argument that the liens are wrongful. Pratt's Amended Petition contains two arguments for the lien being wrongful under the Wrongful Lien Act. First, Pratt argues that Pugh "failed to meet the conditions

of the agreement (Investment Agreement) .” As explained exhaustively above, Pugh was not even a party to the Investment Agreements, thus the argument that the trust deeds are wrongful because of failing to comply with the Investment Agreements is meritless.

Secondly, Pratt argues that because there was no “meeting of the minds,” the Security Agreement, signed by Pratt authorizing the liens, is invalid. (R. 82-121). This second argument is not only meritless in determining if a lien is wrongful pursuant to the Wrongful Lien Act, but is brought in bad faith. Pratt argues that because Pugh repudiated the underlying contracts, after Pugh found that the contracts were materially altered, there was never a valid contract between the parties, rendering the liens invalid. However, this argument is disingenuous and brought in bad faith, as Pratt has derived a benefit from the underlying contracts and is attempting to circumvent his liability in the companion case through this action.

Pratt’s position that the underlying contracts and liens are invalid is in direct contradiction to the fact that he has derived a benefit from them, and has testified that the Investment Agreements are valid entitling him to all benefits contained therein. As explained above, the Investment Agreements outline the contractual relationship between Pratt and Sovren. In exchange for providing security for the \$500,000 loan with his two properties, Sovren contracted to give Pratt a “security interest in and an equity position in ten (10) tons of Maker’s (Sovren) high grade concentrate ore.” (R. 635) Pratt believed the ores to be worth “six hundred thousand to a million dollars a ton” (R. 629).

Furthermore, not only does Pratt have interest and security in ore worth up to ten million dollars (\$10,000,000) as a result of securing Pugh \$500,000 loan to Sovren, but Pratt recieved a “2% interest in the real estate entity known as Housing Partnership, . . . 1% ownership in a new established bank, and 1% stock options.” (R 635). Pratt also had his property taxes paid out of the \$500,000 loan monies. (Addendum J).

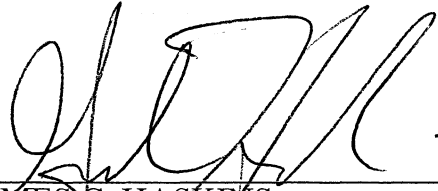
Pratt’s contradictory and specious testimony accomplishes nothing less than to allow him to have his cake and eat it too. If Pratt were allowed to side step liability by removing the liens by claiming the contracts are invalid, while asserting a right to collect on the Investment Agreements, he would receive a financial windfall, leaving Pugh and his business partners with no security for their \$500,000 loan. These statements by Pratt are further evidence of Pratt’s significant bad faith throughout this proceeding.

Pratt has continually mislead the court, given contradictory testimony, and made meritless arguments using inaccurate information. The aforementioned actions of Pratt were clearly in bad faith and resulted in months of discovery and the unnecessary accrual of significant costs and attorney’s fees.

CONCLUSION

For the above reasons, it is respectfully submitted that the Trial Court’s granting of summary judgment in favor of the Petitioner be overturned, that judgment be entered on behalf of the Respondent holding the liens valid, and Respondent be awarded costs and reasonable attorney fees.

DATED this 30 day of November, 2009.

A handwritten signature in black ink, appearing to read 'JCH', is written over a horizontal line.

JAMES C. HASKINS
GRAHAM J. HASKINS
Attorneys for Charles Pugh

CERTIFICATE OF SERVICE

I hereby certify that on the 30 day of November, 2009, I caused to be served by HAND DELIVERY a true and correct copy of the foregoing Appellant's Brief, as follows:

Ron D. Wilkinson
815 East 800 South
Orem, Utah 84097

A handwritten signature in black ink, appearing to read "RDW", is written over a horizontal line.

ADDENDUM

- A. MINUTE ENTRY dated December 17, 2007, by the Honorable Fred D. Howard, granting Petitioner's motion for summary judgment.
- B. FINAL ORDER entered December 23, 2008, by the Honorable Fred D. Howard.
- C. Utah Rules of Civil Procedure Rule 56
- D. Utah Code Annotated 38-9-1
- E. Utah Code Annotated 38-9-2
- F. Utah Code Annotated 38-9-3
- G. Utah Code Annotated 38-9-4
- H. Utah Code Annotated 38-9-6
- I. Utah Code Annotated 38-9-7
- J. U.S. Department of Housing and Urban Development (HUD) Settlement Statement 1.
- K. U.S. Department of Housing and Urban Development (HUD) Settlement Statement 2.

ADDENDUM A

12-17-07 - Minute Entry - Minutes for ORAL ARGUMENT

Judge: FRED D HOWARD

Clerk: sherylc

PRESENT

Petitioner's Attorney: RONALD D WILKINSON

Petitioner(s): RICHARD PRATT

Attorney for the Respondent: JAY L KESSLER

Respondent(s): CHARLES D PUGH

Audio

Tape Number: 07-20-401 Tape Count: 1:32-1:58

HEARING

TAPE: 07-20-401 COUNT: 1:32-

Discussion ensues regarding the motions before the court. The court proceeds on the plaintiff's motion for summary judgment - only. Parties are present and counsel give their respective oral arguments. Mr. Wilkinson submits for decision, Mr. Kessler requests to reserve judgment in light of motion to dismiss. The court finds to grant the plaintiff's Motion For Summary Judgment. The cross-motion to dismiss is now moot. Mr. Wilkinson is to prepare the Order.

ADDENDUM B

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FILED
12/25/07
4TH DISTRICT
STATE OF UTAH
UTAH COUNTY

**IN THE FOURTH JUDICIAL DISTRICT COURT IN AND FOR
UTAH COUNTY, STATE OF UTAH**

RICHARD PRATT,

Petitioner,

v.

CHARLES D. PUGH,

Respondent.

FINAL ORDER

Case No.: 060403141
Judge: Fred D. Howard

FINDINGS OF FACT

The above-captioned matter came before the Court for hearing on Petitioner's Motion for Summary Judgment on the seventeenth (17th) day of December 2007. The Petitioner, Richard Pratt, was present, represented by his attorney, Ron D. Wilkinson. The Respondent, Charles D. Pugh, was also present, represented by his attorney, Jay Kessler. After reviewing the court file and hearing the proffers of counsel, the Court granted Petitioner's Motion for Summary Judgment, ordered the liens on Petitioner's properties be released and considered void ab initio, and, that Petitioner be awarded attorney fees and costs.

Petitioner's Motion for Summary Judgment requested damages as found under §38-9-4 (2005). Pursuant to § 38-9-4(2) (2005) Petitioner is entitled to statutory damages of one thousand dollars (\$1,000.00) and under § 38-9-4(5) (2005) Petitioner is entitled to statutory damages of three thousand dollars (\$3,000.00).

Petitioner's Counsel filed an affidavit of attorney's fees May 13, 2008 and has submitted a supplementary affidavit for attorney's fees through the date of this order.

After reviewing the affidavit for attorneys fees submitted May 13, 2008 and the supplemental affidavit for attorneys fees through the date of this order, the Court

FINDS AND ORDERS as follows:

1. Respondent is ordered to pay damages of four thousand dollars (\$4,000.00) to Petitioner.
2. The affidavit for attorney's fees and costs submitted by Petitioner's Counsel is reasonable.
3. The affidavit for supplemental attorney's fees and costs submitted by Petitioner's Counsel is reasonable.
4. Therefore judgment is, heretofore, awarded in the amount of \$4,000.00 for statutory damages and of \$20,205.76 for attorneys fees and costs through May 13, 2008.

DATED this 23 day of December 2008.

BY THE COURT:

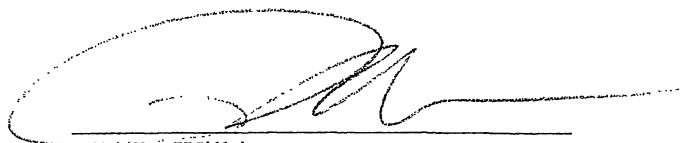
/S/FRED D. HOWARD

Fred D. Howard, District Court Judge

NOTICE OF INTENT TO SUBMIT FOR SIGNATURE

Pursuant to the Utah Rules of Civil Procedure, you are, hereby, notified that the foregoing Order will be sent to the Court for signing upon the expiration of five (5) days from the date of this Notice, plus three (3) days for mailing, unless a written objection is filed with the Court prior to that time.

DATED this 4 day of December 2008.

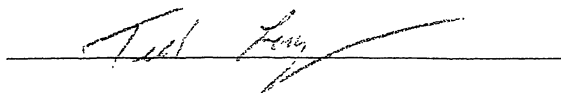
A handwritten signature in black ink, appearing to read 'Ron D. Wilkinson', is written over a horizontal line.

Ron D. Wilkinson,
Attorney for Petitioner

MAILING CERTIFICATE

I certify that I mailed a true and correct copy of the foregoing document to the following this 5th day of December 2008:

James C. Haskins
Haskins & Associates, L.L.C.
136 East South Temple, Suite 1420
Salt Lake City, Utah 84111

A handwritten signature in black ink, appearing to read 'James C. Haskins', is written over a horizontal line.

ADDENDUM C

Rule 56 Summary judgment.
RULES OF CIVIL PROCEDURE
Part VII Judgment

Rule 56. Summary judgment.

(a) For claimant A party seeking to recover upon a claim, counterclaim or cross-claim or to obtain a declaratory judgment may, at any time after the expiration of 20 days from the commencement of the action or after service of a motion for summary judgment by the adverse party, move for summary judgment upon all or any part thereof

(b) For defending party A party against whom a claim, counterclaim, or cross-claim is asserted or a declaratory judgment is sought, may, at any time, move for summary judgment as to all or any part thereof

(c) Motion and proceedings thereon The motion, memoranda and affidavits shall be in accordance with Rule 7 The judgment sought shall be rendered if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law A summary judgment, interlocutory in character, may be rendered on the issue of liability alone although there is a genuine issue as to the amount of damages

(d) Case not fully adjudicated on motion If on motion under this rule judgment is not rendered upon the whole case or for all the relief asked and a trial is necessary, the court at the hearing of the motion, by examining the pleadings and the evidence before it and by interrogating counsel, shall if practicable ascertain what material facts exist without substantial controversy and what material facts are actually and in good faith controverted It shall thereupon make an order specifying the facts that appear without substantial controversy, including the extent to which the amount of damages or other relief is not in controversy, and directing such further proceedings in the action as are just Upon the trial of the action the facts so specified shall be deemed established, and the trial shall be conducted accordingly

(e) Form of affidavits, further testimony, defense required Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein Sworn or certified copies of all papers or parts thereof referred to in an affidavit shall be attached thereto or served therewith The court may permit affidavits to be supplemented or opposed by depositions, answers to interrogatories, or further

affidavits When a motion for summary judgment is made and supported as provided in this rule, an adverse party may not rest upon the mere allegations or denials of the pleadings, but the response, by affidavits or as otherwise provided in this rule, must set forth specific facts showing that there is a genuine issue for trial Summary judgment, if appropriate, shall be entered against a party failing to file such a response

(f) When affidavits are unavailable Should it appear from the affidavits of a party opposing the motion that the party cannot for reasons stated present by affidavit facts essential to justify the party's opposition, the court may refuse the application for judgment or may order a continuance to permit affidavits to be obtained or depositions to be taken or discovery to be had or may make such other order as is just

(g) Affidavits made in bad faith If any of the affidavits presented pursuant to this rule are presented in bad faith or solely for the purpose of delay, the court shall forthwith order the party presenting them to pay to the other party the amount of the reasonable expenses which the filing of the affidavits caused, including reasonable attorney's fees, and any offending party or attorney may be adjudged guilty of contempt

ADDENDUM D

38-9-1

Title 38 - Liens

Chapter 09 - Wrongful Liens and Wrongful Judgment Liens

38-9-1. Definitions.

As used in this chapter

(1) "Interest holder" means a person who holds or possesses a present, lawful property interest in certain real property, including an owner, title holder, mortgagee, trustee, or beneficial owner

(2) "Lien claimant" means a person claiming an interest in real property who offers a document for recording or filing with any county recorder in the state asserting a lien, or notice of interest, or other claim of interest in certain real property

(3) "Owner" means a person who has a vested ownership interest in certain real property

(4) "Record interest holder" means a person who holds or possesses a present, lawful property interest in certain real property, including an owner, titleholder, mortgagee, trustee, or beneficial owner, and whose name and interest in that real property appears in the county recorder's records for the county in which the property is located

(5) "Record owner" means an owner whose name and ownership interest in certain real property is recorded or filed in the county recorder's records for the county in which the property is located

(6) "Wrongful lien" means any document that purports to create a lien, notice of interest, or encumbrance on an owner's interest in certain real property and at the time it is recorded or filed is not

(a) expressly authorized by this chapter or another state or federal statute,

(b) authorized by or contained in an order or judgment of a court of competent jurisdiction in the state, or

(c) signed by or authorized pursuant to a document signed by the owner of the real property

Amended by Chapter 223, 2008 General Session

ADDENDUM E

38-9-2

Title 38 - Liens

Chapter 09 - Wrongful Liens and Wrongful Judgment Liens

38-9-2. Scope.

(1) (a) The provisions of Sections 38-9-1, 38-9-3, 38-9-4, and 38-9-6 apply to any recording or filing or any rejected recording or filing of a lien pursuant to this chapter on or after May 5, 1997

(b) The provisions of Sections 38-9-1 and 38-9-7 apply to all liens of record regardless of the date the lien was recorded or filed

(c) Notwithstanding Subsections (1)(a) and (b), the provisions of this chapter applicable to the filing of a notice of interest do not apply to a notice of interest filed before May 5, 2008

(2) The provisions of this chapter shall not prevent a person from filing a lis pendens in accordance with Section 78B-6-1303 or seeking any other relief permitted by law

(3) This chapter does not apply to a person entitled to a lien under Section 38-1-3 who files a lien pursuant to Title 38, Chapter 1, Mechanics' Liens

Amended by Chapter 3, 2008 General Session

Amended by Chapter 223, 2008 General Session

ADDENDUM F

38-9-3

Title 38 - Liens

Chapter 09 - Wrongful Liens and Wrongful Judgment Liens

38-9-3. County recorder may reject wrongful lien within scope of employment -- Good faith requirement.

(1) A county recorder may reject recording of a lien if the county recorder determines the lien is a wrongful lien as defined in Section 38-9-1. If the county recorder rejects the document, the county recorder shall immediately return the original document together with a notice that the document was rejected pursuant to this section to the person attempting to record or file the document or to the address provided on the document.

(2) A county recorder who, within the scope of the county recorder's employment, rejects or accepts a document for recording or filing in good faith under this section may not be liable for damages except as otherwise provided by law.

(3) If a rejected document is later found to be recordable pursuant to a court order, it shall have no retroactive recording priority.

(4) Nothing in this chapter shall preclude any person from pursuing any remedy pursuant to Utah Rules of Civil Procedure, Rule 65A, Injunctions.

Repealed and Re-enacted by Chapter 125, 1997 General Session

ADDENDUM G

38-9-4

Title 38 - Liens

Chapter 09 - Wrongful Liens and Wrongful Judgment Liens

38-9-4. Civil liability for filing wrongful lien -- Damages.

(1) A lien claimant who records or files or causes a wrongful lien as defined in Section 38-9-1 to be recorded or filed in the office of the county recorder against real property is liable to a record interest holder for any actual damages proximately caused by the wrongful lien

(2) If the person in violation of Subsection (1) refuses to release or correct the wrongful lien within ten days from the date of written request from a record interest holder of the real property delivered personally or mailed to the last-known address of the lien claimant, the person is liable to that record interest holder for \$3,000 or for treble actual damages, whichever is greater, and for reasonable attorney fees and costs

(3) A person is liable to the record owner of real property for \$10,000 or for treble actual damages, whichever is greater, and for reasonable attorney fees and costs, who records or files or causes to be recorded or filed a wrongful lien as defined in Section 38-9-1 in the office of the county recorder against the real property, knowing or having reason to know that the document

(a) is a wrongful lien,

(b) is groundless, or

(c) contains a material misstatement or false claim

Amended by Chapter 223, 2008 General Session

ADDENDUM H

38-9-6

Title 38 - Liens

Chapter 09 - Wrongful Liens and Wrongful Judgment Liens

section

38-9-6. Petition to file lien -- Notice to record interest holders -- Summary relief -- Contested petition.

Enacted by Chapter 125, 1997 General Session

(1) A lien claimant whose document is rejected pursuant to Section 38-9-3 may petition the district court in the county in which the document was rejected for an expedited determination that the lien may be recorded or filed

(2) (a) The petition shall be filed with the district court within ten days of the date notice is received of the rejection and shall state with specificity the grounds why the document should lawfully be recorded or filed

(b) The petition shall be supported by a sworn affidavit of the lien claimant

(c) If the court finds the petition is insufficient, it may dismiss the petition without a hearing

(d) If the court grants a hearing, the petitioner shall serve a copy of the petition, notice of hearing, and a copy of the court's order granting an expedited hearing on all record interest holders of the property sufficiently in advance of the hearing to enable any record interest holder to attend the hearing and service shall be accomplished by certified or registered mail

(e) Any record interest holder of the property has the right to attend and contest the petition

(3) Following a hearing on the matter, if the court finds that the document may lawfully be recorded, it shall issue an order directing the county recorder to accept the document for recording. If the petition is contested, the court may award costs and reasonable attorney's fees to the prevailing party

(4) A summary proceeding under this section is only to determine whether or not a contested document, on its face, shall be recorded by the county recorder. The proceeding may not determine the truth of the content of the document nor the property or legal rights of the parties beyond the necessary determination of whether or not the document shall be recorded. The court's grant or denial of the petition under this section may not restrict any other legal remedies of any party, including any right to injunctive relief pursuant to Rules of Civil Procedure, Rule 65A, Injunctions

(5) If the petition contains a claim for damages, the damage proceedings may not be expedited under this

ADDENDUM I

38-9-7

Title 38 - Liens

Chapter 09 - Wrongful Liens and Wrongful Judgment Liens

38-9-7. Petition to nullify lien -- Notice to lien claimant -- Summary relief -- Finding of wrongful lien -- Wrongful lien is void.

(1) Any record interest holder of real property against which a wrongful lien as defined in Section 38-9-1 has been recorded may petition the district court in the county in which the document was recorded for summary relief to nullify the lien

(2) The petition shall state with specificity the claim that the lien is a wrongful lien and shall be supported by a sworn affidavit of the record interest holder

(3) (a) If the court finds the petition insufficient, it may dismiss the petition without a hearing

(b) If the court finds the petition is sufficient, the court shall schedule a hearing within ten days to determine whether the document is a wrongful lien

(c) The record interest holder shall serve a copy of the petition on the lien claimant and a notice of the hearing pursuant to Rules of Civil Procedure, Rule 4, Process

(d) The lien claimant is entitled to attend and contest the petition

(4) A summary proceeding under this section is only to determine whether or not a document is a wrongful lien. The proceeding shall not determine any other property or legal rights of the parties nor restrict other legal remedies of any party

(5) (a) Following a hearing on the matter, if the court determines that the document is a wrongful lien, the court shall issue an order declaring the wrongful lien void ab initio, releasing the property from the lien, and awarding costs and reasonable attorney's fees to the petitioner

(b) (i) The record interest holder may record a certified copy of the order with the county recorder

(ii) The order shall contain a legal description of the real property

(c) If the court determines that the claim of lien is valid, the court shall dismiss the petition and may award costs and reasonable attorney's fees to the lien claimant. The dismissal order shall contain a legal description of the real property. The prevailing lien claimant may record a certified copy of the dismissal order

(6) If the district court determines that the lien is a

wrongful lien as defined in Section 38-9-1, the wrongful lien is void ab initio and provides no notice of claim or interest

(7) If the petition contains a claim for damages, the damage proceedings may not be expedited under this section

Enacted by Chapter 125, 1997 General Session

ADDENDUM J

A. SETTLEMENT STATEMENT.

U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

OMB No. 2502-0265

B. TYPE OF LOAN

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> CONV. UNINS.	6. File Number:	7. Loan Number:	8. Mortgage Insurance Case Number:
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> CONV. INS.		194493U		

C. NOTE:

This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME AND ADDRESS OF BORROWER:

RICHARD W. PRATT, AS THIRD
PARTY GUARANTOR
& SOVREN GROUP, LLC

E. NAME AND ADDRESS OF SELLER/TAX I.D. No.:

RBFINANCE

F. NAME AND ADDRESS OF LENDER:

CHARLES D. PUGH ET AL

G. PROPERTY LOCATION:

4664 North Brookshire Circle
Provo, Utah 84604

H. SETTLEMENT AGENT:

GUARDIAN TITLE COMPANY OF UTAH

Disbursement Date:
04/11/06

I. SETTLEMENT DATE:

792 East State Road #101
American Fork, Utah 84003

04/10/06

J. SUMMARY OF BORROWER'S TRANSACTION

100. GROSS AMOUNT DUE FROM BORROWER:

101. Contract Sales Price	
102. Personal property	
103. Settlement charges to borrower (line 1400)	1,520.00
104. Property Taxes for 2005	814.97
105.	
Adjustments for items paid by seller in advance	
106. City/town taxes to	
107. County taxes to	
108. Assessments to	
109.	
110.	
111.	
112.	
120. GROSS AMOUNT DUE FROM BORROWER	2,334.97

K. SUMMARY OF SELLER'S TRANSACTION

400. GROSS AMOUNT DUE TO SELLER:

401. Contract Sales Price	
402. Personal property	
403.	
404.	
405.	
Adjustments for items paid by seller in advance	
406. City/town taxes to	
407. County taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
420. GROSS AMOUNT DUE TO SELLER	

200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:

201. Deposit or earnest money	
202. Principal amount of new loan(s)	250,000.00
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208.	
209.	

500. REDUCTIONS IN AMOUNT DUE TO SELLER:

501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	
503. Existing loan(s) taken subject to	
504. Payoff of first mortgage loan	
505. Payoff of second mortgage loan	
506.	
507.	
508.	
509.	

Adjustments for items unpaid by seller

210. City/town taxes to	
211. County taxes to	
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	

Adjustments for items unpaid by seller

510. City/town taxes to	
511. County taxes to	
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	

220. TOTAL PAID BY/FOR BORROWER	250,000.00
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520. TOTAL REDUCTION AMOUNT DUE SELLER	
--	--

300. CASH AT SETTLEMENT FROM/TO BORROWER

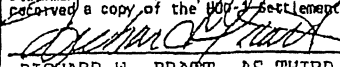
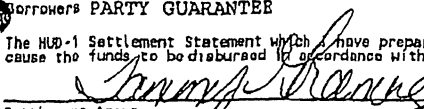
301. Gross amount due from borrower (line 120)	2,334.97
302. Less amounts paid by/for borrower (line 220)	250,000.00

600. CASH AT SETTLEMENT TO/FROM SELLER


601. Gross amount due to seller (line 420)	
602. Less reductions in amount due seller (line 520)	


303. CASH (<input type="checkbox"/> FROM) (<input checked="" type="checkbox"/> TO) BORROWER	247,665.03
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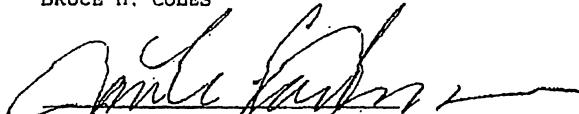
603. CASH (<input type="checkbox"/> TO) (<input type="checkbox"/> FROM) SELLER	
--	--

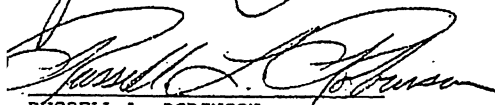
L. SETTLEMENT CHARGES				PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL SALES/BROKER'S COMMISSION					
based on price \$ @ %					
Division of Commission (line 700) as follows:					
701. \$	to				
702. \$	to				
703. Commission paid at Settlement					
704.					
800. ITEMS PAYABLE IN CONNECTION WITH LOAN					
801. Loan Origination Fee	%				
802. Loan Discount	%				
803. Appraisal Fee to					
804. Credit Report to					
805. Lenders Inspection Fee					
806. Tax Service Fee	to				
807. Flood Certification					
808.					
809.					
810.					
811.					
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE					
901. Interest from	to	\$	/day		
902. Mortgage Insurance Premium for months to					
903. Hazard Insurance Premium for years to					
904. Flood Insurance Premium for years to					
905.					
1000. RESERVES DEPOSITED WITH LENDER					
1001. Hazard Insurance	months \$	per month			
1002. Mortgage Insurance	months \$	per month			
1003. City property taxes	months \$	per month			
1004. County property taxes	months \$	per month			
1005. Annual assessments	months \$	per month			
1006. Flood insurance	months \$	per month			
1007.	months \$	per month			
1008. Aggregate Adjustment Amount					
1100. TITLE CHARGES					
1101. Settlement or closing fee	to GUARDIAN TITLE COMPANY OF UTAH		125.00		
1102. Email/Copy/Package	to				
1103. Title examination	to				
1104. Title insurance binder	to				
1105. Document preparation	to GUARDIAN TITLE COMPANY OF UTAH		50.00		
1106. Notary fees	to				
1107. Attorney's fees	to GRAHAM H. NORRIS, JR.		4,265.00		
(includes above items numbers:)					
1108. Title insurance	to GUARDIAN TITLE COMPANY OF UTAH		1,395.00		
(includes above items numbers:)					
1109. Lender's coverage	\$ 250,000.00	1,395.00			
1110. Owner's coverage	\$				
1111. Bnd. 100, 116 & 8.1	GUARDIAN TITLE COMPANY OF UTAH		65.00		
1112.					
1113.					
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES					
1201. Recording fees: Deed \$ 20.00	Mortgage \$ 65.00	Release \$	85.00		
1202. city/county tax stamps: Deed \$	Mortgage \$				
1203. State tax/stamps: Deed \$	Mortgage \$				
1204. Processing/Handling Fee					
1205. Wire Fee	GUARDIAN TITLE COMPANY OF UTAH		150.00		
1300. ADDITIONAL SETTLEMENT CHARGES					
1301. Survey to					
1302. Pest inspection to					
1303.					
1304.					
1305.					
1400. TOTAL SETTLEMENT CHARGES (enter on (lines 103, Sect J and 502, Sect K)				6,135.00	
I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.					
 RICHARD W. PRATT, AS THIRD					
Borrowers PARTY GUARANTEE					
 Settlement Agent Tammy Greening, Escrow Officer				Sellers April 10, 2006 Date	

Signature Addendum to HUD-1


RICHARD W. PRATT


BRUCE H. COLES


JAN W. CARLSON


RUSSELL L. ROBINSON

1944936

ADDENDUM K

A. SETTLEMENT STATEMENT

U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

OMB No. 2502-0265

B. TYPE OF LOAN

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> FmHA	3. <input type="checkbox"/> CONV. UNINS.	6. File Number: 194494U	7. Loan Number:	8. Mortgage Insurance Case Number:
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> CONV. INS.				

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME AND ADDRESS OF BORROWER:

RICHARD W. PRATT, AS THIRD
PARTY GUARANTEE
& SOVREN GROUP, LLC

E. NAME AND ADDRESS OF SELLER/TAX I.D. No.:

REFINANCE

F. NAME AND ADDRESS OF LENDER:

CHARLES D. PUGH ET AL

G. PROPERTY LOCATION:

4672 North Brookshire Circle
Provo, Utah 84604

H. SETTLEMENT AGENT:

GUARDIAN TITLE COMPANY OF UTAH

Disbursement Date:
04/11/06

I. PLACE OF SETTLEMENT:

792 East State Road #101
American Fork, Utah 84003

1. SETTLEMENT DATE:
04/10/06

J. SUMMARY OF BORROWER'S TRANSACTION

K. SUMMARY OF SELLER'S TRANSACTION

100. GROSS AMOUNT DUE FROM BORROWER:

400. GROSS AMOUNT DUE TO SELLER:

101. Contract Sales Price	
102. Personal property	
103. Settlement charges to borrower (line 1400)	6,135.00
104. Property Taxes 2005	2,829.40
105.	

401. Contract Sales Price	
402. Personal property	
403.	
404.	
405.	

Adjustments for items paid by seller in advance

Adjustments for items paid by seller in advance

106. City/town taxes	to	
107. County taxes	to	
108. Assessments	to	
109.		
110.		
111.		
112.		

406. City/town taxes	to	
407. County taxes	to	
408. Assessments	to	
409.		
410.		
411.		
412.		

120. GROSS AMOUNT DUE FROM BORROWER	8,964.40
-------------------------------------	----------

420. GROSS AMOUNT DUE TO SELLER	
---------------------------------	--

200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:

500. REDUCTIONS IN AMOUNT DUE TO SELLER:

201. Deposit or earnest money	
202. Principal amount of new loan(s)	250,000.00
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208.	
209.	

501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	
503. Existing loan(s) taken subject to	
504. Payoff of first mortgage loan	
505. Payoff of second mortgage loan	
506.	
507.	
508.	
509.	

Adjustments for items unpaid by seller

Adjustments for items unpaid by seller

210. City/town taxes	to	
211. County taxes	to	
212. Assessments	to	
213.		
214.		
215.		
216.		
217.		
218.		
219.		

510. City/town taxes	to	
511. County taxes	to	
512. Assessments	to	
513.		
514.		
515.		
516.		
517.		
518.		
519.		

220. TOTAL PAID BY/FOR BORROWER	250,000.00
---------------------------------	------------

520. TOTAL REDUCTION AMOUNT DUE SELLER	
--	--

300. CASH AT SETTLEMENT FROM/TO BORROWER

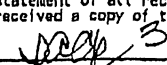
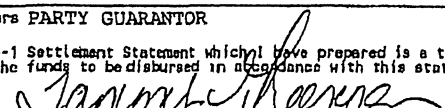
600. CASH AT SETTLEMENT TO/FROM SELLER

301. Gross amount due from borrower (line 120)	8,964.40
302. Less amounts paid by/for borrower (line 220)	250,000.00

601. Gross amount due to seller (line 420)	
602. Less reductions in amount due seller (line 520)	

303. CASH (<input type="checkbox"/> FROM) (<input type="checkbox"/> TO) BORROWER	241,035.60
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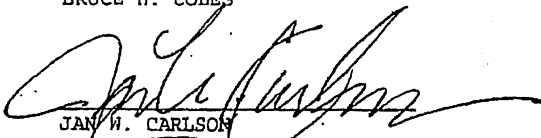
603. CASH (<input type="checkbox"/> TO) (<input type="checkbox"/> FROM) SELLER	
--	--

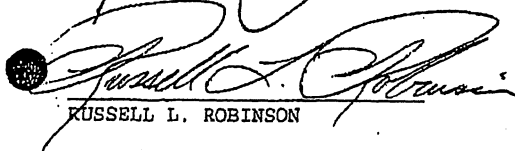
I. SETTLEMENT CHARGES		PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL SALES/BROKER'S COMMISSION			
based on price \$ _____ %			
Division of Commission (line 700) as follows:			
701. \$ _____ to _____			
702. \$ _____ to _____			
703. Commission paid at Settlement			
704. _____			
800. ITEMS PAYABLE IN CONNECTION WITH LOAN			
801. Loan Origination Fee _____ %			
802. Loan Discount _____ %			
803. Appraisal Fee to _____			
804. Credit Report to _____			
805. Lender's Inspection Fee _____			
806. Tax Service Fee _____ to _____			
807. Flood Certification _____			
808. _____			
809. _____			
810. _____			
811. _____			
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			
901. Interest from _____ to _____ at _____ /day			
902. Mortgage Insurance Premium for _____ months to _____			
903. Hazard Insurance Premium for _____ years to _____			
904. Flood Insurance Premium for _____ years to _____			
905. _____			
1000. RESERVES DEPOSITED WITH LENDER			
1001. Hazard Insurance _____ months at \$ _____ per month			
1002. Mortgage Insurance _____ months at \$ _____ per month			
1003. City property taxes _____ months at \$ _____ per month			
1004. County property taxes _____ months at \$ _____ per month			
1005. Annual assessments _____ months at \$ _____ per month			
1006. Flood Insurance _____ months at \$ _____ per month			
1007. _____ months at \$ _____ per month			
1008. Aggregate Adjustment Amount _____			
1100. TITLE CHARGES			
1101. Settlement or closing fee to GUARDIAN TITLE COMPANY OF UTAH	125.00		
1102. Email/Copy/Package to _____			
1103. Title examination to _____			
1104. Title insurance binder to _____			
1105. Document preparation to _____			
1106. Notary fees to _____			
1107. Attorney's fees to _____			
(includes above items numbers: _____ at _____)			
1108. Title insurance to GUARDIAN TITLE COMPANY OF UTAH	1,395.00		
(includes above items numbers: _____)			
1109. Lender's coverage \$ 250,000.00 1,395.00			
1110. Owner's coverage \$ _____			
1111. _____			
1112. _____			
1113. -			
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES			
1201. Recording fees: Deed \$ _____; Mortgage \$ _____; Releases \$ _____			
1202. City/county tax stamps: Deed \$ _____; Mortgage \$ _____			
1203. State tax/stamps: Deed \$ _____; Mortgage \$ _____			
1204. Processing/Handling Fee _____			
1205. _____			
1300. ADDITIONAL SETTLEMENT CHARGES			
1301. Survey to _____			
1302. Pest inspection to _____			
1303. _____			
1304. _____			
1305. _____			
1400. TOTAL SETTLEMENT CHARGES (enter on lines 103, Sect J and 502, Sect K)		1,520.00	
I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.			
 RICHARD W. PRATT, AS THIRD			
Borrowers PARTY GUARANTOR		Sellers	
The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.			
 Settlement Agent Tammy Greening, Escrow Officer		April 10, 2006 Date	

Signature Addendum to HUD-1


RICHARD W. PRATT


BRUCE H. COLES


JAN W. CARLSON


RUSSELL L. ROBINSON

1944944